has been taken up with the concerned State Government through State level bankers' committee.

In some of the places it has been reported that banks have been insisting for collateral security for issuing KCC. NABARD has advised the banks to strictly adhere to Reserve Bank of India (RBI) guidelines in this regard.

New drug policy

3351. PROF. M. SANKARALINGAM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to refer to answer to Unstarred Question 192, given in the Rajya Sabha on 1st March, 2002 and state:

(a) whether the new drug policy would help to bring in new investments;

(b) if so, the details thereof; and

(c) how the common man would derive benefit out of this?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) to (c) The Pharmaceutical Policy-2002 provides that foreign investment upto 100% will be permitted, subject to stipulations laid down from time to time in the Industrial Policy, through the automatic route in the case of all bulk drugs cleared by Drug Controller General (India), all their intermediates and formulations except in the case of bulk drugs produced by the use of recombinant DNA technology, bulk drugs requiring in-vivo use of nucleic acids as the active principles and specific cell/tissue targeted formulations. This has been done with a view to further liberalising the foreign direct investment regime. The main objectives of this Policy are, *inter alia*, ensuring abundant availability at reasonable prices within the country of good quality essential pharmaceuticals of mass consumption and strengthening the indigenous capability for cost effective quality production.

Quality test of drugs

†3352. SHRI DILIP SINGH JUDEV: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the existing arrangement for conducting quality test of drugs at factory-level manufactured by the drug manufacturing companies;

†Original notice of the question was received in Hindi.

(b) the number of drugs tested at this level during the last three years;

(c) how many drugs were found substandard out of them; and

(d) the names of those drugs and the details of action taken against the manufactures?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) and (b) Under the provisions of Drugs and Cosmetics Act, 1940 and rules thereunder, the State Governments have been empowered to enforce quality of drugs including monitoring of manufacture, sale and distribution of drugs. The enforcement of quality control of drugs and pharmaceuticals is regulated by a system of licensing by the State Governments. As per the information available from the State Licensing Authorities, the number of samples tested for quality during the period 1997-98 to 1999-2000 is given below:

Year	Samples
1997-98	32936
1998-99	38936
1999-2000	35570

(c) and (d) Information, to the extent available, from the State Licensing Authorities is given in Annexure. (*See* Appendix 195, Annexure No. 35)

Production of Medicines

3353. SHRI K. RAHMAN KHAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) what had been the percentage increase in prices of various medicines during the last three years, together with the reasons therefor; and

(b) what effective measures Government have undertaken to ensure quality production of medicines?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SATYA BRATA MOOKHERJEE): (a) As per the information available from the Office of the Economic Adviser, Ministry of Industry and Commerce, the Wholesale Price Index (with base 1993-94=100) of drugs and medicines showed an annual average increase of 3.69 per cent from 1999-2000 to 2001-2002 (upto December, 2001). The reasons for rise in the prices of medicines are rise in the prices of inputs like bulk drugs, excipients